

**IN THE UNITED STATES BANKRUPTCY COURT FOR THE
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN THE MATTER OF:

CASE NO. 23-31447 (evr)

PALASOTA CONTRACTING, LLC

DEBTOR

CHAPTER 11

NOTICE OF PLAN DEFAULT

NOW COMES The County of Brazos, Texas, hereinafter “Brazos”, and gives this written notice to the Reorganized Debtor and the Reorganized Debtor’s counsel of default under the terms of the confirmed Seventh Amended Plan of Reorganization, hereinafter “the Plan”.

1. The confirmation order was entered on 03/14/2024 (Docket No. 219) and a corrected confirmation order was entered on 04/18/2024 (Docket No. 235).

2. The corrected confirmation order became final on 05/02/2024, fourteen (14) days following entry.

3. The Effective Date, defined in Article 2, Definition 2.37 of the Plan, occurred on 05/02/2024, the day on which the Confirmation Order became a Final Order.

4. Pursuant to Article 4, Section 4.10 of the Plan, the Reorganized Debtor is to pay Brazos’ secured ad valorem Tax Claim, in the amount of \$87,836.20 plus certain interest, through an initial down payment of \$10,000.00 on the Effective Date plus 19% of each sale of the Encore Bank collateral contemplated under paragraph 4.1.1 of the Plan. The terms of paragraph 4.1.1. were modified such that ENCORE BANK will receive 81% of each such sale. The Debtor is to provide counsel for both ENCORE BANK and Brazos County with a copy of any and all sales or auction report(s) and direct the auctioneer to make all payments owed to ENCORE BANK and Brazos County directly to the respective party until the earlier of the sale of all ENCORE BANK Collateral or the payment in full of the claims held by ENCORE BANK and Brazos County. In

the event the contemplated sale of the ENCORE BANK Collateral is not completed prior to the May 9, 2024 deadline, the Reorganized Debtor shall pay the remaining balance of the Brazos County Claim in minimum monthly installments of \$7,250.00 commencing June 1, 2024 and continuing until the Brazos County Claim along with all penalties and interest as payable under the confirmed Plan are fully paid.

5. The Effective Date has passed and the Reorganized Debtor has not paid the required initial \$10,000.00 payment to Brazos. Brazos has received no reports of sales or auctions and is without knowledge as to whether any have occurred since the original confirmation was entered.

6. Article 4, Section 4.10 of the Plan further provides that if the Reorganized Debtor fails to pay any of the amounts due to Brazos under the confirmed Plan, Brazos shall notify Reorganized Debtor's counsel by email at kbarley@ws-law.com advising of said default and providing the Reorganized Debtor with a period of twenty-one (21) days from the date the email is sent to cure the default. If the Reorganized Debtor fails to fully cure the noticed default within said twenty-one (21) days, Brazos County, Texas may, without further order of this Court or notice to the Reorganized Debtor, pursue all of its rights and remedies available to it under the Texas Property Tax Code to collect the full amount of all taxes, penalties and interest owed on the defaulted account. Brazos is today serving counsel of record with the Notice of Plan Default both by email from the undersigned and via the Court's CM/ECF Filing System and mailing same to the Reorganized Debtor at his address of record.

7. The amount required to cure the default is \$10,000.00 plus 19% of any sale of the Encore Bank collateral, if any.

Dated: May 6, 2024

Respectfully submitted,

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/s/ Julie Anne Parsons
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CERTIFICATE OF SERVICE

I hereby certify that on May 6, 2024, I served the Reorganized Debtor with a true and correct copy of this Notice by First Class U.S. Mail at the address below and that Debtor's counsel, the U.S. Trustee, and all other parties consenting to electronic notice in this case were electronically served through the CM/ECF system. I also served Debtor's counsel by direct email.

Reorganized Debtor - First Class U.S. Mail

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Parties in Interest – Electronic:

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